



Arlington Affordable Housing Trust Fund Board of Trustees

Date: February 23, 2023
Time: 7:00 – 8:30 PM
Location: Conducted via remote participation

Attendees: Eric Helmuth, Jaclyn Pacejo, Karen Kelleher, Beth Elliott, Neal Mongold, Vicki Santiago, Kelly Lynema

Guests: Rebecca Gruber, Stanley Wolf

DRAFT Minutes

1. Action Plan Implementation

- Karen reviewed the implementation list, noting that there was nothing to report on regarding the material needs of the AHA and HCA. Karen and Kelly are working on the ARPA piece, and will be putting together a plan for the use of ARPA funds consistent with the Action Plan for the Town Manager.
- **Real Estate Transfer Fee:** Karen reported that she had not yet met with legislators, but the statewide coalition is active. She encouraged the Trust to reach out to their congressional delegation to urge them to support the initiative.
- **CPA funding:** The Trust submitted an application for \$250,000, and was invited to present in January. The CPA committee asked the Trust to dedicate the funding to HCA's transaction. The Trust will have to vote to approve the grant or loan, but the request is consistent with the Action Plan. On 2/22, the CPA Committee voted to recommend that Town Meeting appropriate the \$250,000 as described, possibly with the condition that it be dedicated to the HCA program; they also voted to allocate another \$125,000 to the Trust because they value the partnership and like the flexibility that the Trust provides in supporting immediate real estate opportunities for affordable housing production.

2. Affordable ADU program

Jaclyn presented her research into developing an ADU program (Financing Affordable Accessory Dwelling Units (FAAD)) based on the draft scope she presented at Trust's prior meeting. Since January, she has met with attorneys, architects, Mass Clean Energy Center regarding their triple decker retrofit program, the CEO of a modular

startup, and received comments from several trustees. She has additional meetings scheduled.

She noted that in her research participants emphasized the need for flexibility. She proposed providing grants to assess project feasibility, and a predevelopment and construction loan program with a loan amount of up to \$70,000. The program is designed to incentivize recipients toward features such as sustainability improvements, etc., but not to penalize them if those features aren't possible on their site.

Neal expressed appreciation for the work Jaclyn has done. He noted that it can take a lot to get to passive house and other environmentally challenging standards, and wants to carefully balance sustainability goals with incentivizing homeowners overall to build an ADU.

Karen noted that most of the plan is about creating an affordable ADU; it also conveys that the Trust is committed to sustainability and can provide additional funding for sustainability. Neal added that for most homeowners, getting through design, feasibility, and permitting is already difficult, and that it is good to note that additional subsidy may be available. He noted that the existing building permit figures staff had provided demonstrated a wide cost range – from \$30k to \$200k. We should expect to see a wide range of possible types of project.

Jaclyn explained eligible costs, loan term and interest rates, and financing. Beth asked where the borrower would get the funds to repay the loan at 15 years. Karen noted that preliminary discussions had considered loan burning off over time and suggested looking at a project budget and what kind of revenue the unit would generate.

Trustees discussed the financial considerations about issuing one-time grants versus loans over time, affordability requirements (80% AMI), and how and whether ADU owners could accept vouchers.

Karen requested that Trustees do a working session with Jaclyn to workshop some of the concepts: vouchers, affordability restrictions, etc. Jaclyn will set up a working group session with Neal, Beth, and Karen.

3. **Affordable Housing Zoning Overlay:** Karen mentioned that a separate citizen group is working on an affordable housing overlay, possibly for Special Town Meeting in the fall.

4. **Community Outreach**

Rebecca commented on the visibility of the Trust during the creation of the Action Plan, and shared that she doesn't want the public to forget about the Trust. She proposed having a quarterly newsletter update that we could send to those who indicated interest in mailing list, adding ideas such as:

- What the Trust might do with ARPA and CPA funding.

- The statewide coalition advocating for a real estate transfer fee.
- What the Trust is doing and why.
- Other education about affordable housing.

She asked for volunteers to write articles and offered to help review and assemble the newsletter.

Beth liked the idea and the opportunity to continue outreach about what the Trust is doing. She suggested providing an area in the newsletter to provide resident perspectives, discuss affordability challenges, and overall keep in the forefront the problems the Trust is trying to solve. Rebecca offered to talk to Kristine Shaw about what she hears from seniors, and Neal offered to reach out to HCA's social service workers.

Karen also agreed with the idea, adding that education is a key aspect of what the Trust wants to do. Due to limited capacity from some trustees, she recommended going to the Advisory Board and finding 1-2 professionals who can assist with this. Karen offered to reach out to Kate Casa.

5. New Business

Kelly described three upcoming meetings:

- March 1 Specialized Stretch Code Forum
- March 9 MBTA Communities Visioning Session
- March 15 Mass Ave / Appleton Public Meeting

Karen also mentioned the Equity Audit report. She noted that it speaks to the community outreach work that the Trust began and the work we need to do to get a broader set of voices at the table. Rebecca recommended reading at least the summary of the report. Kelly will send a link to the Equity Audit.

6. Administrative items: Meeting minutes from January 26, 2023

On the meeting minutes from January 26, 2023, Eric moved approval and Jaclyn seconded. The minutes were approved unanimously.